GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Emerging and Frontier Markets Issuance

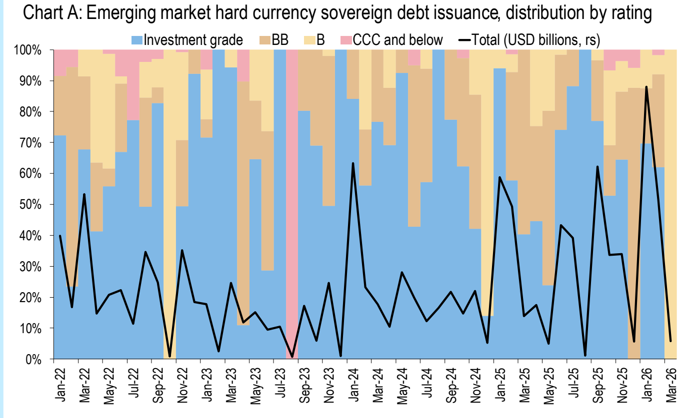
Thursday, April 9, 2026

Prepared by: Esti Kemp and Xiang-Li Lim

HIGHLIGHTS:

- **International debt issuance by emerging- and frontier markets declined sharply in March amid heightened geopolitical uncertainty, following record front-loading of issuance in January–February.** Market analysts attribute the slowdown to increased volatility, weaker risk appetite, and higher oil prices, rather than a deterioration in underlying EM fundamentals. While global factors have remained dominant, the analysts caution that idiosyncratic factors are rising as the conflict affects countries asymmetrically.
- **Hard currency sovereign issuance amounted to $4.1 bn in March 2026, roughly 60% lower y/y.** Only four sovereign issuers tapped the market in March, all high-yield (Chart A): Angola (US$1.5 bn due 2033, US$1.0 bn due 2037), Republika Srpska (€0.5 bn due 2031), Mongolia (US$500 mn due 2032) and Egypt (US$500 mn tap 2033) (Chart 1). Angola's $2.5 bn issuance was notable in the current environment, with the oil-exporting country benefiting from high oil prices and strong relative performance. **Nonfinancial corporate issuance (ex-China) eased to $3.5 bn in March (-65% y/y).**
- **Since the onset of the Middle East conflict, EM hard currency spreads have widened moderately with the sharpest moves concentrated in high-yield and frontier market names.** Spread levels across all categories remain well below the peaks reached during 2022, suggesting that the shock is being treated as contained rather than systemic (Chart 2). Market analysts note that strong early-year issuance, still-positive YTD flows, and supportive ratings trends are helping to contain spread widening. At the same time, they caution that if yields continue to rise market access could again become challenging for lower-rated sovereigns.

Chart A: Emerging market hard currency sovereign debt issuance, distribution by rating



- **EM sovereign credit rating upgrades continued to outpace downgrades in March.** Bolivia, Croatia and Tajikistan received upgrades while Botswana received a downgrade.
- **Hard currency bond fund inflows seen year to date were eroded in March.** Four consecutive weeks of hard currency fund outflows brought YTD inflows close to zero (Chart 17).
- **Looking ahead, analysts expect issuance to remain selective as elevated as geopolitical uncertainty, market volatility and rising yields constrain market access, particularly for lower-rated sovereigns.** In early April Poland sold US$6 bn of dollar-denominated bonds, with maturities including five, 10 and 30 years. Potential issuers in the coming months include Brazil, Peru, the Philippines, Oman and the United Arab Emirates in the IG space, and Argentina, Democratic Republic of Congo, Morocco and Türkiye in the HY space.

Overview

Chart 1. Pace of EM Sovereign and Corporate Issuance
(USD billions, ex. CHN corporates, range since 2011)

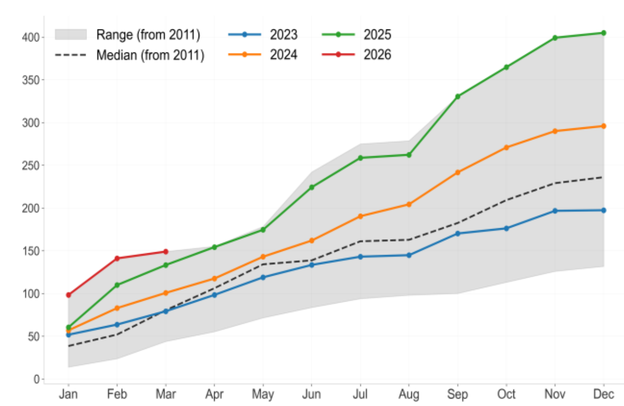
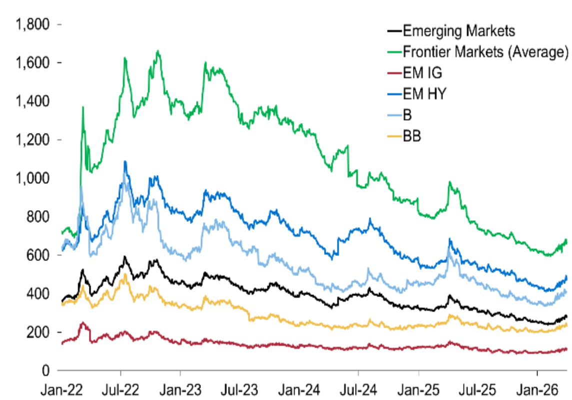


Chart 2. Emerging and Frontier Market Benchmark Spreads
(Basis points)

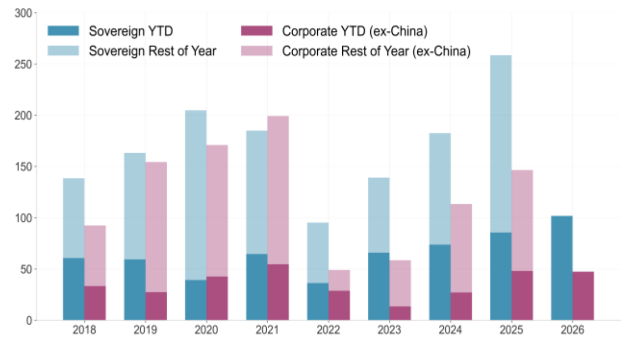


This monitor is produced by MCMGA. It captures international issuance, predominately denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.
Sources: Bloomberg, Bond Radar (issuance), EPFR (fund flows), JPMorgan (spreads), analyst reports, and IMF Staff.

Issuance Detail: Emerging Market Corporates and Sovereigns

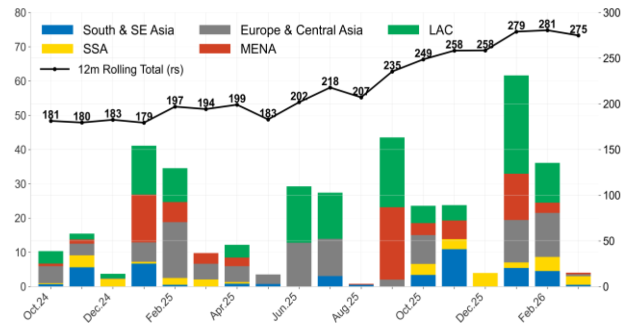
Issuance slowed sharply to $7.6bn in March 2026, representing a roughly 60% decline from March 2025, after historically high issuance in January-February.

Chart 3. Total Sovereign and Corporate Issuance (Historical trend, USD billions)



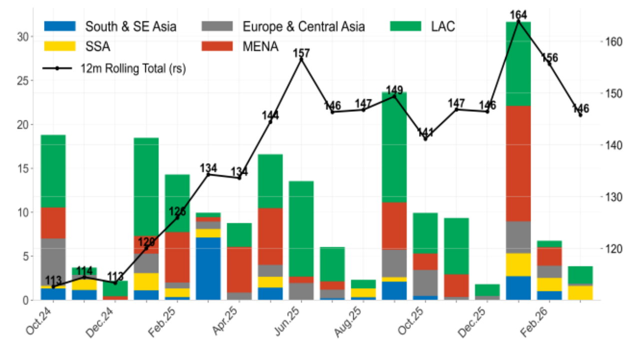
Angola (Sub-Saharan Africa) accounted for the bulk of March sovereign issuance, likely helped by higher oil prices and stronger relative performance among oil exporters.

Chart 4. EM Sovereign International Bond Issuance by Region (USD billions)



EM corporate issuances continue to be led by Latin America and Sub-Saharan Africa in March.

Chart 5. Corporate International Bond Issuance by Region (USD billions)



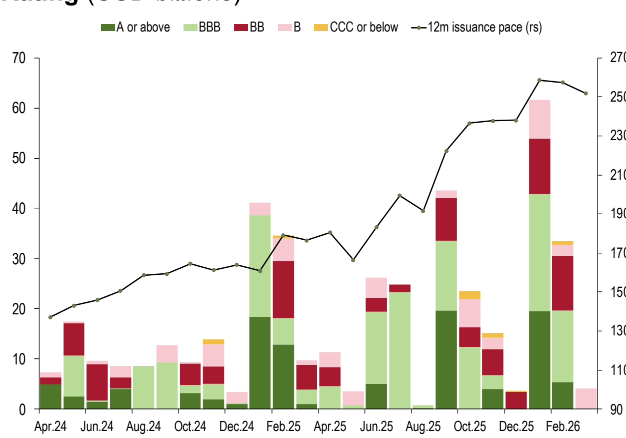
Angola, Republika Srpska, Mongolia and Egypt were the only sovereign EM issuers in March, tapping the EUR and USD markets.

Chart 6. Country Sovereign Issuance Totals (USD billions)

Issuer	2026	Jan-26	Feb-26	Mar-26
Mexico	14.5	14.5	-	-
Saudi Arabia	11.4	11.4	-	-
Indonesia	7.2	2.7	4.5	-
Türkiye	5.8	3.5	2.4	-
Romania	5.5	-	5.5	-
Poland	5.1	3.8	1.3	-
Colombia	4.9	4.9	-	-
Hungary	4.8	3.5	1.3	-
Brazil	4.5	-	4.5	-
Chile	4.3	4.3	-	-
Ecuador	4.0	4.0	-	-
United Arab Emirates	3.0	-	3.0	-
Panama	3.0	-	3.0	-
Dominican Republic	2.7	-	2.7	-
Philippines	2.7	2.7	-	-
Angola	2.5	-	-	2.5
Croatia	2.4	-	2.4	-
Kenya	2.2	-	2.2	-
Bahrain	2.1	2.1	-	-
Paraguay	1.4	-	1.4	-
Côte d'Ivoire	1.3	-	1.3	-
North Macedonia	1.1	1.1	-	-
Trinidad and Tobago	1.0			
Benin	0.9	0.9	-	-
Cameroon	0.7	0.7	-	-
Congo	0.6	-	0.6	-
Republika Srpska	0.6	-	-	0.6
Mongolia	0.5	-	-	0.5
Egypt	0.5	-	-	0.5
Georgia	0.5	0.5	-	-

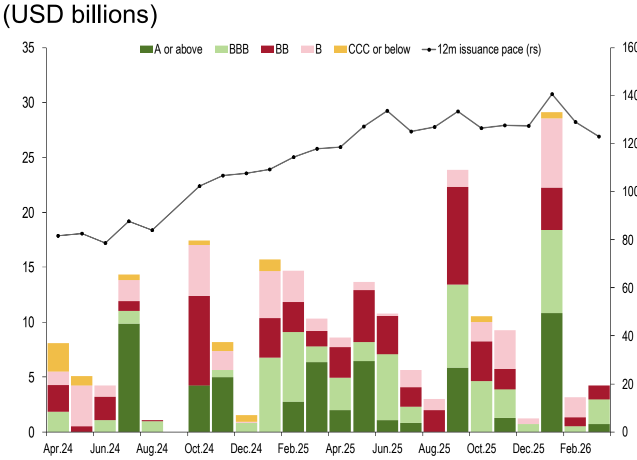
All sovereign issuances in March were by high-yield issuers, with the lowest March monthly volume since 2020.

Chart 7. Sovereign Hard Currency Issuance by Rating (USD billions)



For corporates, issuances also declined across ratings. The proportion of HY issuance declined to roughly a third of rated issuances in March 2026.

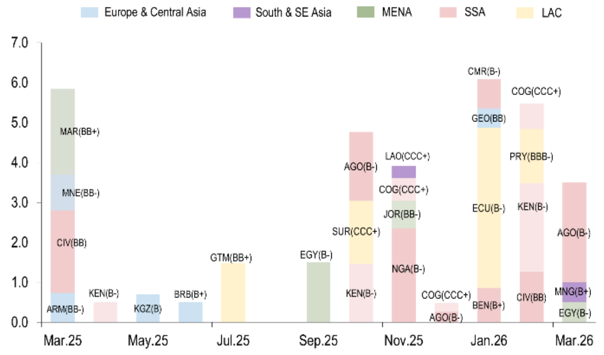
Chart 8. Corporate Hard Currency Issuance by Rating (USD billions)



Issuance Detail: Emerging Market Corporates and Sovereigns

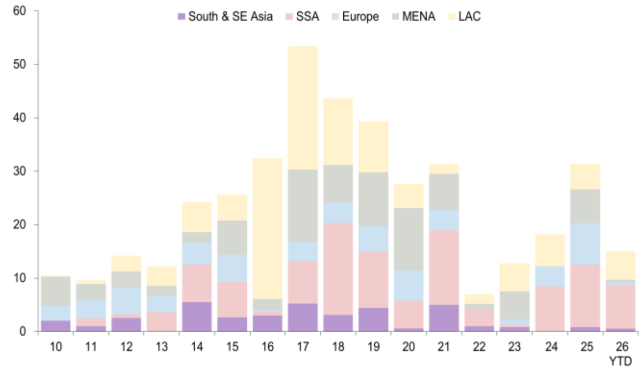
The majority of international EM issuance in March was by frontier markets with Angola, Egypt and Mongolia issuing debt.

Chart 9. Frontier Sovereign Issuance by Rating
(USD billions)



Given a strong start to the year, frontier market international debt issuance so far in 2026 already amounts to almost half of the volume issued in 2025.

Chart 10. Frontier Sovereign Issuance by Region
(USD billions)

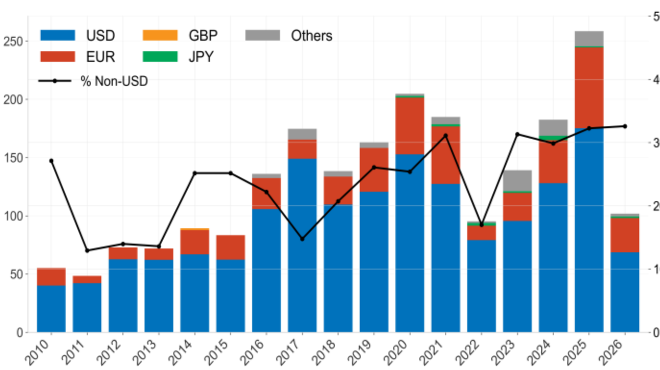


EM international debt issued in 2026 YTD remains concentrated in the short- to medium-term segment, with roughly a quarter maturing within seven years.

Chart 11. EM Sovereign Issuance by Maturity
(Percent)

The majority of issuance continues to be denominated in USD, with EUR-denominated debt amounting to roughly a third of total March volume.

Chart 12. EM Sovereign Issuance by Currency
(Percent)



Upcoming Debt Repayments

EM sovereign refinancing pressures rise in April. The concentration of repayments in a small set of issuers means market access conditions will matter more for lower-rated sovereigns if external environment become increasingly unconducive for issuances.

Chart 13. EM Sovereign Maturities by Rating
(USD billions)

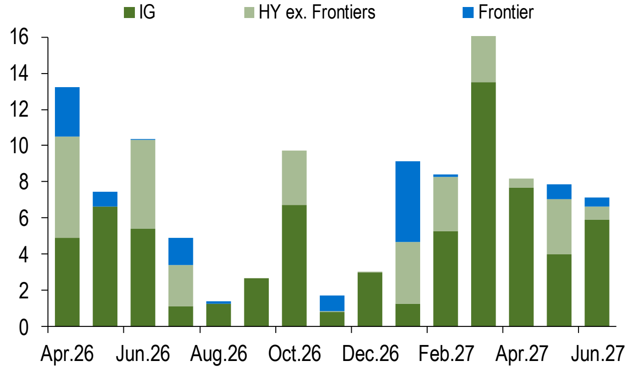
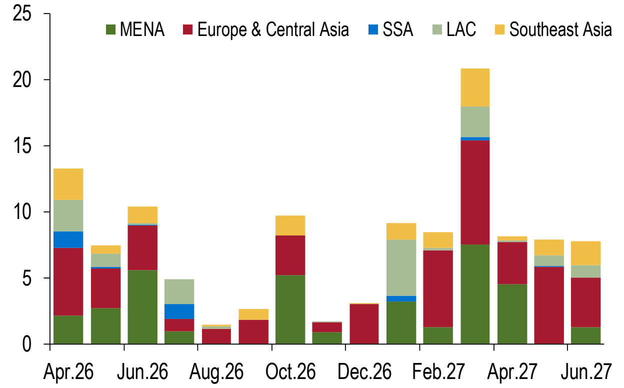


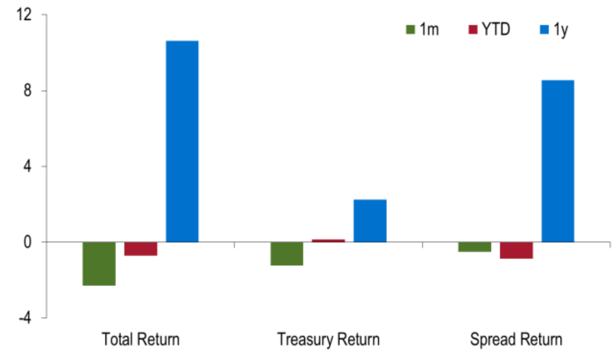
Chart 14. EM Sovereign Amortizations by Region
(USD billions)



Fund Flows and Bond Returns

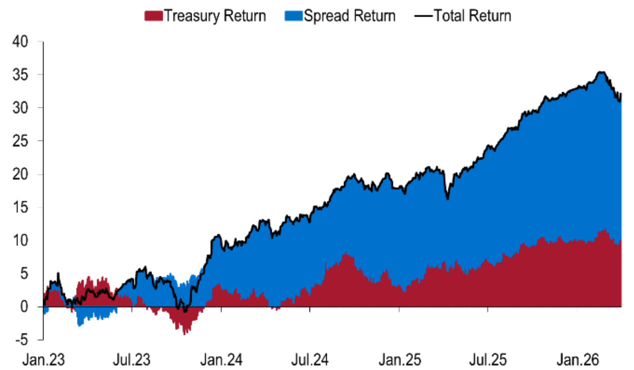
Sovereign hard currency returns turned negative in March driven primarily by higher US Treasury yields, with spread widening adding to losses.

Chart 15. Sovereign Hard Currency Bond Returns (percent)



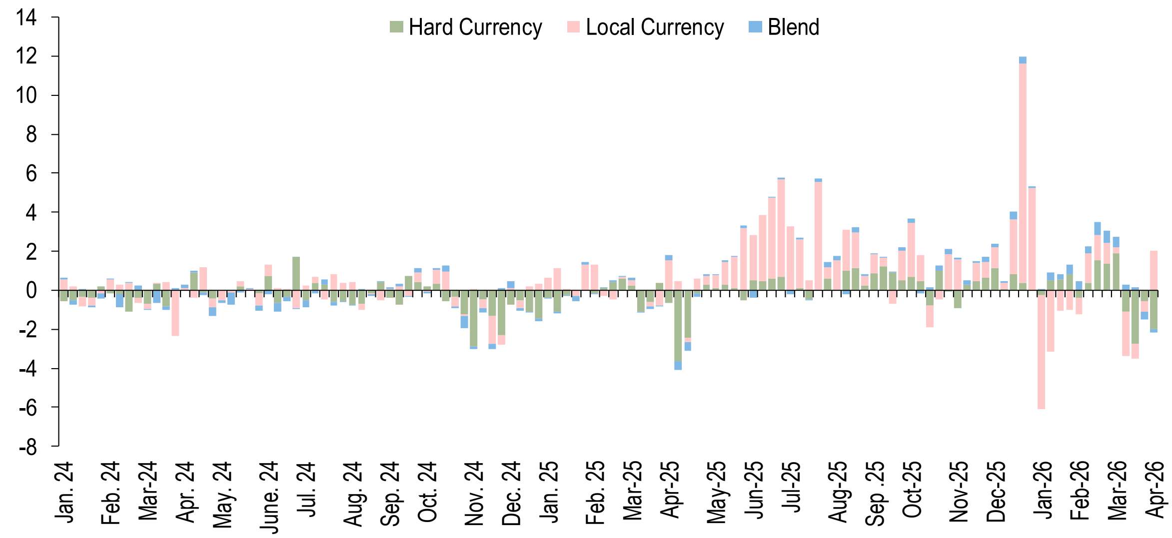
Despite the March selloff, cumulative returns since early 2023 remain positive across much of the sovereign hard currency universe.

Chart 16. Sovereign Hard Currency Bond Returns (percent, cumulative since Jan. 2023)



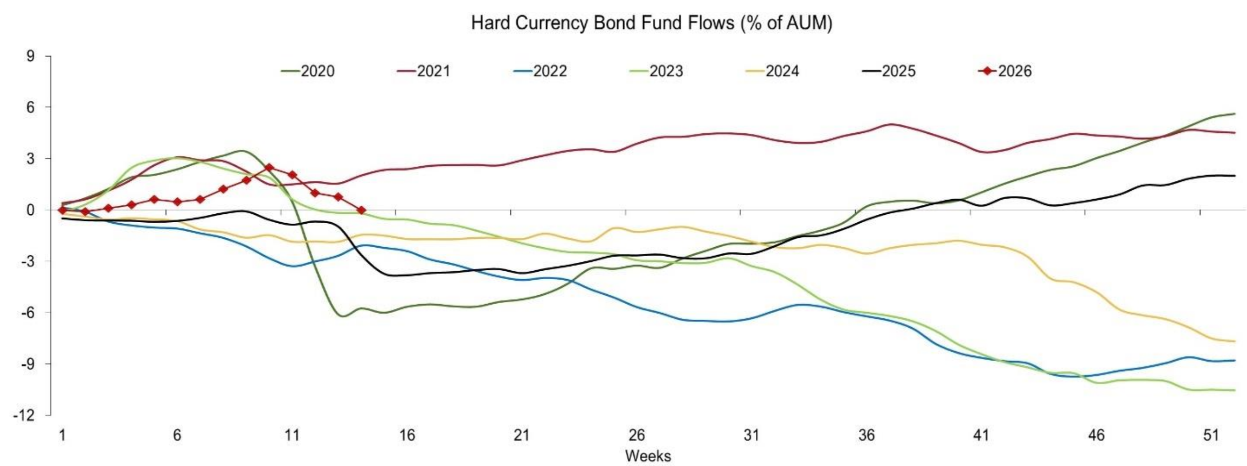
After four weeks of consecutive inflows, bond fund flows turned negative in the second week of March

Chart 17. ETF and Mutual Fund Flows (USD billions)



YTD hard currency fund inflows reversed amidst recent heightened risk aversion.

Chart 18. Hard Currency Fund Flows (percent of AUM, cumulative, by year)



Sovereign Spreads and Yields

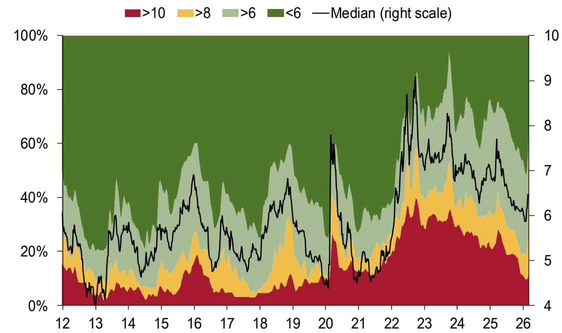
Spreads mostly widened in March, with Mozambique and Senegal seeing the largest widening. Some countries did experience narrowing though, with the largest moves seen in Gabon.

Chart 19. Major Laggards and Gainers on Credit Spreads in March (Basis points; restricted to issuers with spreads below 2500)

Top-15 Leaders			Top-15 Laggards		
Country	Change in spreads	Latest spread	Country	Change in spreads	Latest spread
Gabon	(127)	755	Romania	38	194
Angola	(30)	523	Ivory Coast	45	332
Azerbaijan	(19)	92	Ghana	49	393
Colombia	(16)	278	Pakistan	53	456
China	(15)	58	Bahrain	54	299
Trinidad And Tobago	(11)	232	Turkey	55	313
Peru	(6)	137	Kenya	63	505
Kazakhstan	(6)	92	Egypt	63	458
Malaysia	(4)	58	Sri Lanka	99	301
Brazil	(3)	196	Bolivia	102	570
Uruguay	(1)	76	Ethiopia	187	99
Nigeria	0	344	Ukraine	191	1,089
Panama	1	153	Iraq	211	434
Suriname	1	350	Senegal	277	1,454
Indonesia	2	101	Mozambique	340	1,404

Despite geopolitical developments and related uncertainty, the percentage of EMs with yields exceeding 10% increased only marginally during March to ~11%.

Chart 20. Distribution of Yields in EM Bond Index (share, 4-week average)



…while the number of EMs with spreads above 1,000bps increased to ~8% from ~7% at the start of February 2026.

Chart 21. Share of Distressed Issuers and those with yields above 10% in EM Bond Index (share, 3-week average)

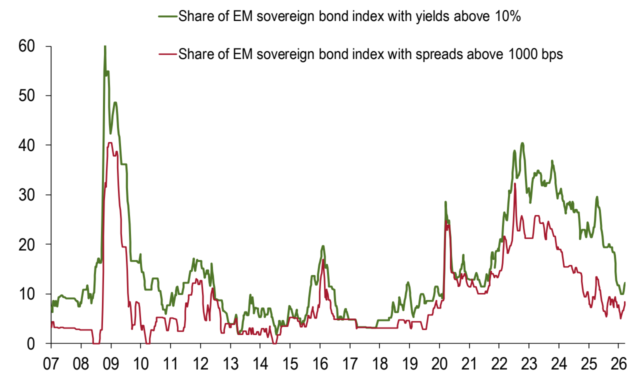


Chart 22. EM Yields and Spreads Decomposition (percent)

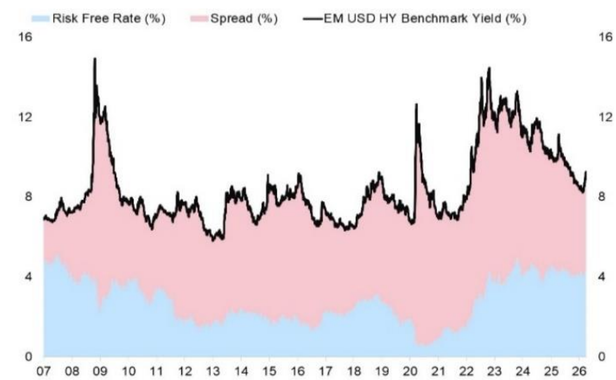
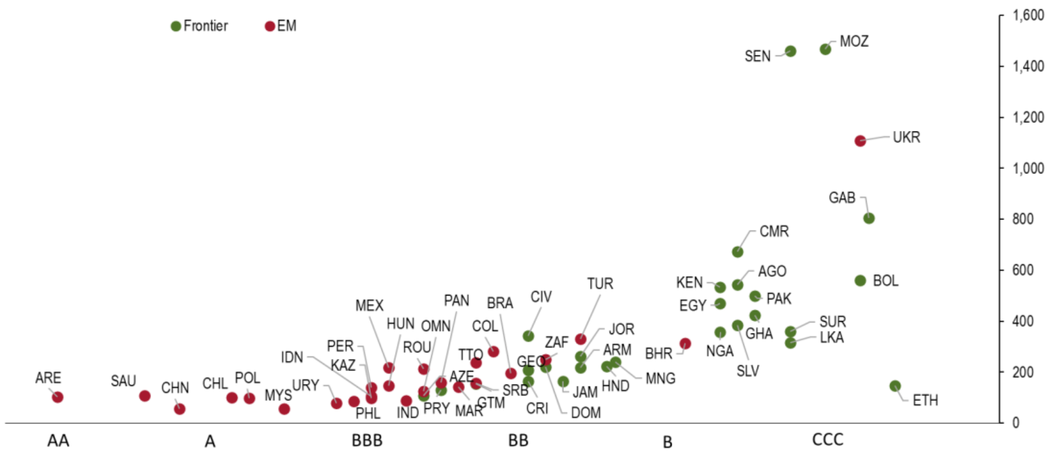


Chart 23. Spreads by Rating and Country (basis points, median rating)



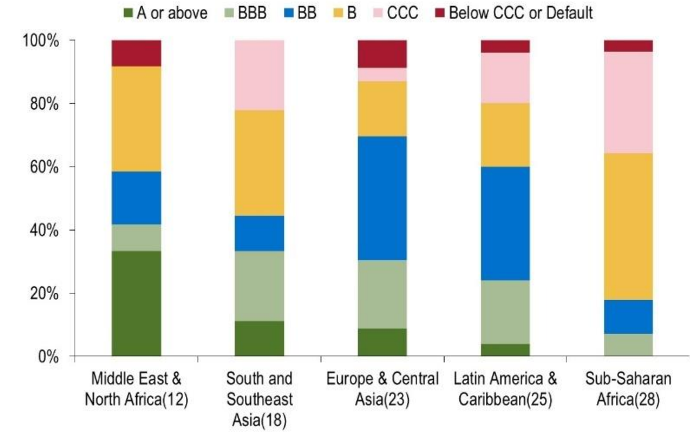
Annex

Annex Table 1. Issuance Coupons by Rating, Sovereign USD bonds (percent)

	A or above			BBB			BB			B		
Maturity (yrs)	<7	7 to 15	>15	<7	7 to 15	>15	<7	7 to 15	>15	<7	7 to 15	>15
Jan.22	2.8	3.5	4.0	3.0	3.5	4.5		3.8			8.0	
Feb.22								5.8		7.3	7.5	
Mar.22			4.3	3.2	3.6	4.3				8.6	8.4	
Apr.22								5.9	7.3		8.8	
May.22				4.8	5.4							
Jun.22		4.1	5.0		5.4							
Jul.22												
Aug.22					5.4			5.3				
Sep.22				4.2	4.7	5.5						
Oct.22	5.3	5.5		5.2	5.7	6.0				9.8		
Nov.22	5.5	5.8			6.4	7.6		8.0		9.9		
Dec.22										9.9		
Jan.23				5.0	5.9	6.4	5.5	6.5	5.0			
Feb.23											6.5	
Mar.23		4.9	5.5	6.1	6.3	6.9		6.6		6.0	6.5	
Apr.23						6.3	7.5	6.0			7.0	
May.23	4.1	4.0					4.3	4.5				
Jun.23		5.0	5.3					6.2				
Jul.23					6.4							
Aug.23												
Sep.23					6.9	6.9		6.0			6.0	
Oct.23			3.4				7.9					
Nov.23		6.5		5.8	5.7			7.1	8.0	7.9		
Dec.23												
Jan.24	4.9			5.1	5.6	5.8	4.8	6.8	6.4			
Feb.24					7.9	7.9		7.0			7.3	
Mar.24	4.6	5.1	5.5									
Apr.24	4.9	5.0	5.5					8.0	8.8	4.8		
May.24	4.6	4.8			5.3	5.6	5.3	6.1				
Jun.24	4.5	4.9					7.1	6.3				
Jul.24	4.3							6.3			8.3	
Aug.24				5.5	4.9	5.2						
Sep.24					5.3	5.2					6.5	
Oct.24					4.7			6.6	8.4			
Nov.24	4.2			5.0	5.3	5.7		7.1	8.0	6.5	7.3	
Dec.24	6.0									9.6	10.4	
Jan.25	5.3	5.6		5.6	6.0	6.6				8.6	9.5	8.4
Feb.25	4.9	5.3			6.5	6.7		6.8	7.2	6.6	8.3	
Mar.25		5.0						7.4				
Apr.25							7.4	8.5			7.3	
May.25										7.8	7.3	
Jun.25				5.4	5.8	6.8	5.5	6.6		6.8	8.1	
Jul.25				5.3	5.9			6.3	6.9			
Aug.25	4.9											
Sep.25	4.1	4.8		4.8	5.5		6.4	7.0		7.2		
Oct.25	3.6			4.4	5.0			6.3		9.2	7.8	
Nov.25	3.6	4.3		4.5	5.1			6.0			8.6	9.1
Dec.25								6.3	7.3			
Jan.26	4.3	4.9	5.9	4.8	5.6	6.1	5.8	6.6		7.7		
Feb.26	3.8	4.3			5.7	6.7	7.3		6.8		8.3	
Mar.26										7.7	9.6	

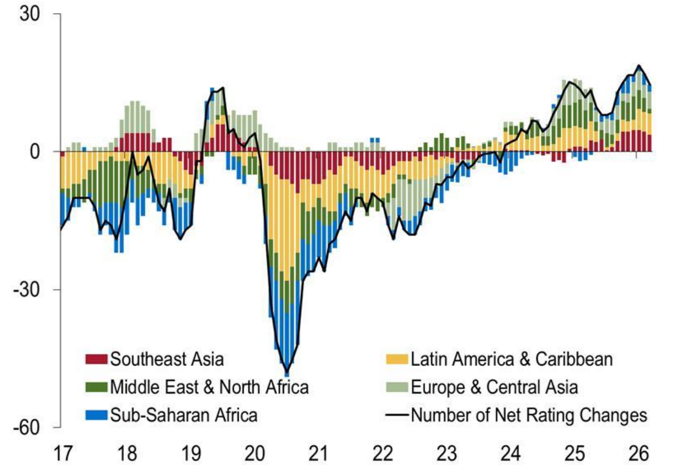
Annex Figure 1. Ratings by Region

(share by rating and region)

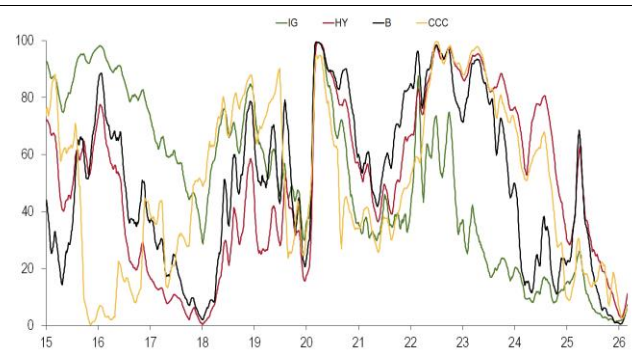


Annex Figure 2. Net Ratings Updates

(number of net rating actions, six-month sum)



Annex Table 2. Sovereign Spreads by Percentile and Rating (4-week average)



Annex Table 3. Latest Ratings Actions

	New median rating	Latest			End Jan. 26		
		S&P	Fitch	Moody's	S&P	Fitch	Moody's
Bolivia	CCC	CCC+	NR	Ca	CCC-	NR	Ca
Botswana	BBB	BBB-	NR	Baa1	BBB	NR	Baa1
Croatia	A-	A	A-	A3	A-	A-	A3
Tajikistan	B	B	NR	B2	B	NR	B3

Note: Annex Figure 2 incorporates Moody's, Fitch, and S&P ratings agencies. Size of rating adjustments not reflected; a rating change by any agency counts as "1".